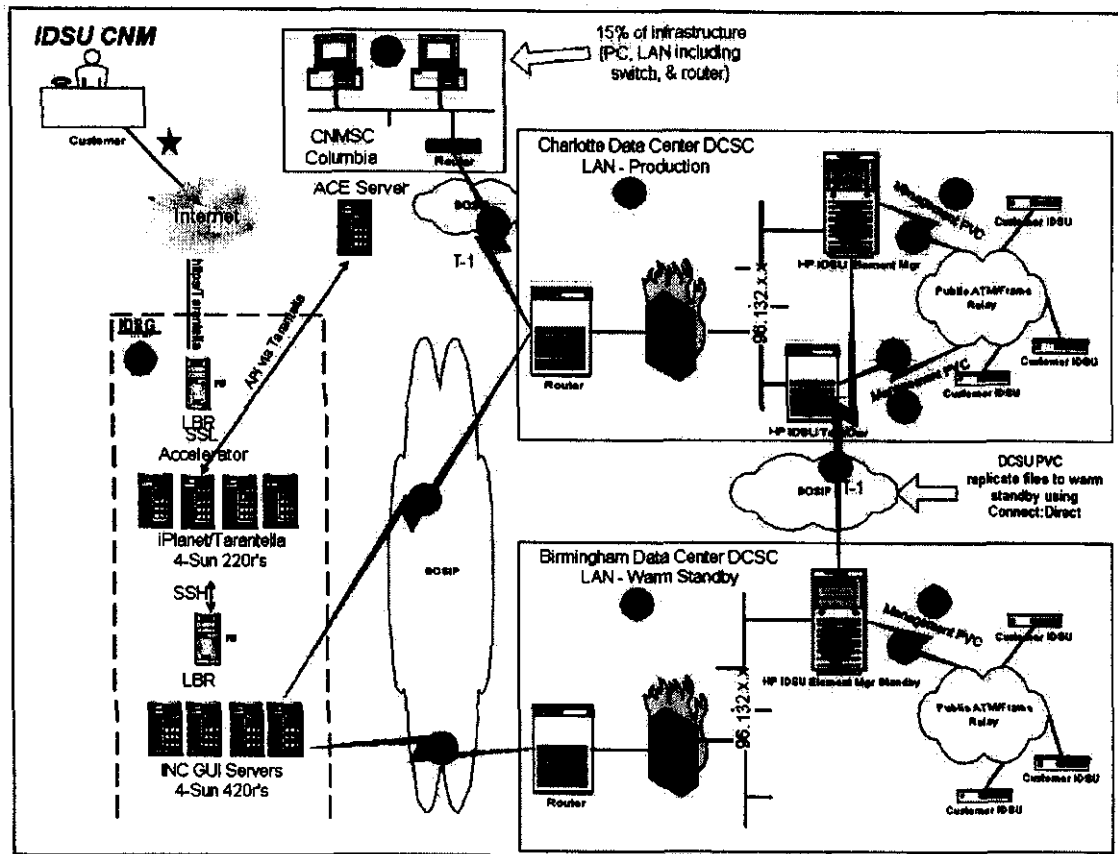


Cost Allocation Plan for Intelligent Data Service Unit (IDSU) Service

The diagram below shows the various elements and areas of the IDSU network that require cost allocation decisions in order to deploy the IDSU Service in a manner consistent with current cost allocation rules. These thirteen elements and areas are labeled A through M. Each element/area requires a separate method of cost allocation.



Service & Customer Impacts

The cost apportionment requirement delayed the implementation of IDSU Service by more than three months. BellSouth had a customer waiting for this service when it began the cost apportionment process required for its service deployment. By the time all cost apportionment matters were resolved, that customer had been lost. Thus these needless and complex accounting requirements not only negatively impacted BellSouth internally, but also negatively impacted its customer's needs.

IDSU Service Description

This service is made up of two separate and distinct nonregulated components: a Customer Premises Equipment component called an "IDSU," and an information service component (termed Nonregulated Customer Network Management) that provides the customer with specialized network management reports. The service would allow retail and wholesale customers to view their network topology, operational statistics, and alarm data collected from these IDSUs, and would allow BellSouth to offer customers one platform to monitor and isolate customer network trouble using a single network tool. Customers would be able to purchase IDSUs from BellSouth along with their Frame Relay service.

Cost Allocation

This section describes the various cost allocation methods required to account for the different elements and areas of the IDSU network, as depicted in the network diagram. Each lettered item below corresponds to the lettered elements/areas of the IDSU network diagram.

A. IDSG – Tarantella Servers and INC GUI Servers.

Based on usage, a portion of the cost for these devices will be charged to the IDSU Service. A tracking mechanism is available and the system logs traffic.

B. INC Production Platform at Charlotte Data Center

This is new hardware being purchased for IDSU Service and the total cost will be charged/directly assigned to nonregulated IDSU Service.

C. INC Platform for Test and Development

This is new hardware being purchased for IDSU Service and the total cost will be charged/directly assigned to nonregulated IDSU Service.

D. INC Stand-By Platform at Birmingham Data Center

This is new hardware being purchased for IDSU Service and the total cost will be charged/directly assigned to nonregulated IDSU Service.

E. Charlotte Data Center

A monthly fee will be charged to the IDSU Service for housing the servers in the data center. This cost includes floor space, administration, and transport. Transport includes the use of the LAN in the Data Center, including firewalls and routers. Nonregulated affiliates currently use the data center to house platforms. Charge-back mechanisms are already in place and will continue to be followed for the IDSU Service.

F. Birmingham Data Center

A monthly fee will be charged to the IDSU Service for housing the servers in the data center. This cost includes floor space, administration, and transport. Transport includes the use of the LAN in the data center, including firewalls and routers. Nonregulated affiliates currently use the Data Center to house platforms. Charge-back mechanisms are already in place and will continue to be followed for the IDSU Service.

G. Customer Network Management Service (CNMS) Center – Columbia, SC

The CNMS Center provides system administration and help desk functions. Costs will be allocated to the IDSU service. Two proposals are being evaluated. One is to use exception reporting on an individual basis. The second proposal is establishing a separate group to handle only the nonregulated service. The decision will be based on anticipated volume of work.

H. Communication link – INC Platforms to Frame Relay Network

These will be Frame Relay “loops” from the INC platforms to the Frame Relay “cloud.” This Frame Relay service will be purchased by the IDSU Service from the existing tariffs. The GSST Frame Relay service tariffs will be used for ordering these links.

I. Management PVC

Customers who purchase IDSU Service will also purchase from the tariffs Frame Relay PVCs that will be mapped from their Gateway IDSUs to the INC platform. The GSST Frame Relay service tariffs will be used for ordering these PVCs.

J. InterLATA Link – IDSG to Charlotte Data Center

This link will be used to provide connectivity between the INC GUI servers in the IDSG and the INC platform in the Charlotte Data Center. A customer will log in to the service via the Internet through the Tarantella servers. Requests for management information will pass through the INC GUI servers to the INC platform. Information relating to the performance of the customer’s IDSUs will be passed back through the GUI servers and the Tarantella servers to the customer’s web browser. Transport costs will be imputed to the nonregulated IDSU Service at surrogate tariff rates.

K. InterLATA link – IDSG to Birmingham Data Center

The INC platform in the Birmingham Data Center serves as the stand-by platform in the event of failure of the platform in the Charlotte Data Center. This link would be used to provide access to the customer’s data in a fail-over situation. These facilities, in the current design, are part of BellSouth’s BRTN/BOC Infrastructure Network. Transport costs will be imputed to the nonregulated IDSU Service at surrogate tariff rates.

L. InterLATA Link – Charlotte Data Center to Birmingham Data Center

This link provides the data path for replication of information from the production INC platform in Charlotte to the Stand-by platform in Birmingham. These facilities, in the current design, are part of BellSouth’s BRTN/BOC Infrastructure Network. Transport costs will be imputed to the nonregulated IDSU Service at surrogate tariff rates.

M. InterLATA Link – CNMS Center to Charlotte Data Center

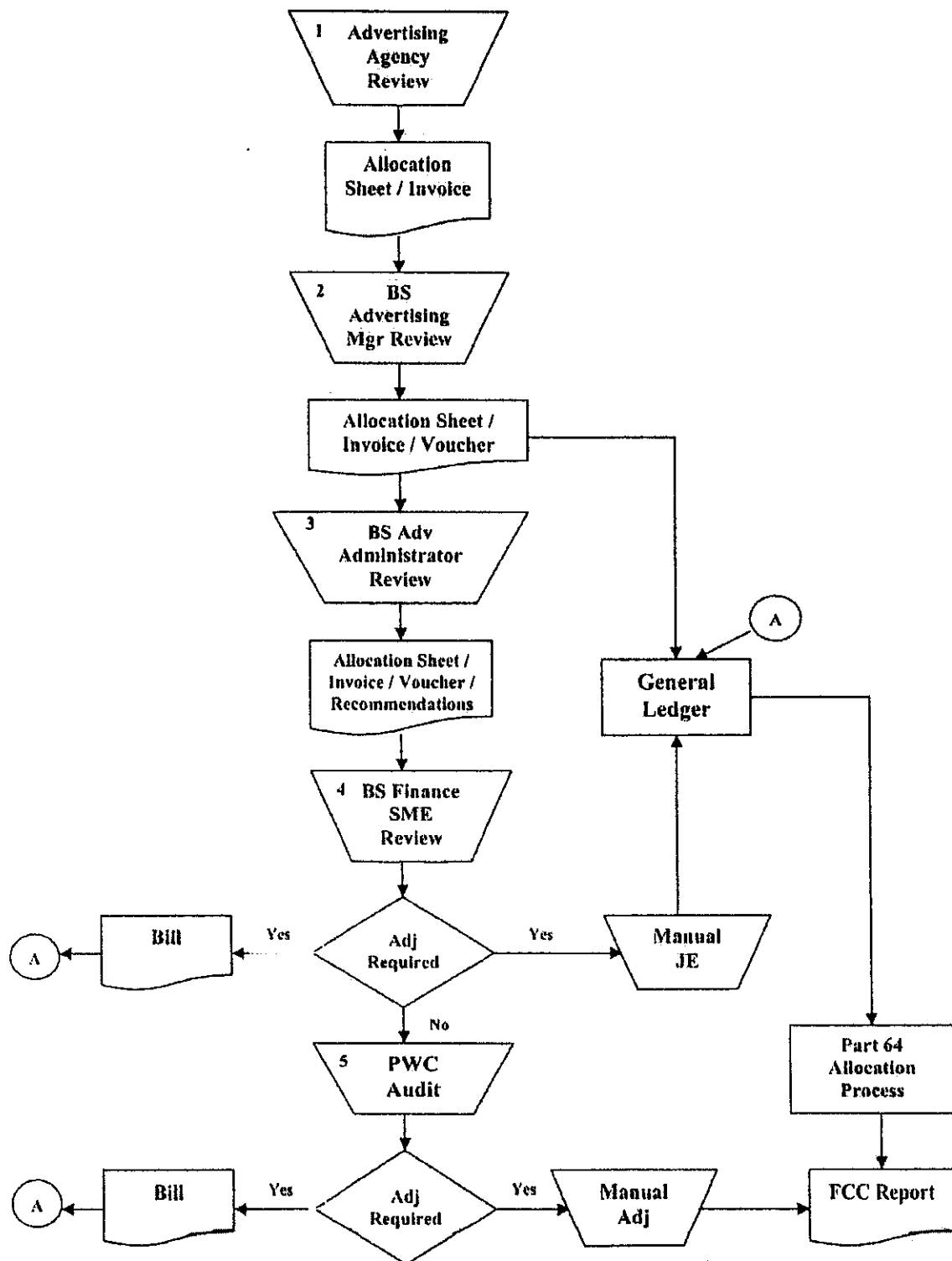
This link is used for administration and management of the of the INC platform and for viewing customer information in order to provide customer Help Desk assistance. We must impute charges, at surrogate tariff rates, to nonregulated operations for this network transport.

Appendix 5

Allocation of Advertising Costs

Page 1	Flow chart showing allocation process for Account 6613, Advertising
Page 2	Example of mark-up required to determine allocation of words among various products and services for a simple advertising campaign letter
Page 3	Form showing resulting allocation from above campaign among products and services by State
Page 4-9	Example of mark-up required to determine allocation of words among various products and services in English and Spanish versions for a more complex advertising campaign
Page 10	Form showing resulting allocation from above campaign among products and services by State

Allocation of Account 6613, Advertising



DSL

© BELL SOUTH

URGENT: Your BellSouth® FastAccess® Business DSL promotional discounts are about to expire.

Please call for continued savings

XXX-XXX-XX-XXXX
Sample A. Sample
ABC Company
Suite 1-A
123 Any Street
Anytown, US 12345-6789
**** BAR CODE ****

DSL - 70%
Local - 15%
LD - 15%

BELLSOUTH® FASTACCESS® BUSINESS DSL DISCOUNT EXPIRATION NOTICE:

Local
LD
DSL

Current BellSouth FastAccess Business DSL discount: \$30 per month for 12 months

BellSouth FastAccess Business DSL discount expiration: Month 2004

Continue saving on your monthly BellSouth FastAccess Business DSL charges by signing a new BellSouth® Internet Answers® term agreement before Month 2004

Estimated BellSouth FastAccess Business DSL savings with a new term agreement:
Up to \$1080 over the next 36 months

DSL

Dear Sample A. Sample,

Our records indicate that you've been receiving \$30 off your monthly FastAccess Business DSL bill as a result of promotional pricing when you originally purchased FastAccess Business DSL service. However, that pricing will expire Month 2004 — and your bill will soon reflect standard pricing for this service.

BellSouth would like to give you the opportunity to continue saving on your monthly recurring FastAccess Business DSL charges by offering you a choice of two new BellSouth Internet Answers term agreements. If you already have BellSouth Long Distance Service, and have or sign a new local service agreement, you can sign a new 24 or 36-month BellSouth Internet Answers term agreement and continue to save.

FastAccess Business Term	Monthly Recurring Charge Discount	Total savings¹
36 months	\$30	\$1080
24 months	\$20	\$480

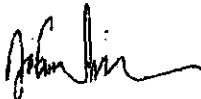
LD

Local

DSL

Call a BellSouth Small Business Sales Associate at 1.866.201.0468 to take advantage of this special offer and continue saving on FastAccess Business DSL.

Sincerely,



John Irwin
Vice President of Marketing
BellSouth Small Business Services

P.S. For more details about this offer, or alternative BellSouth® FastAccess® Business DSL solutions for your business, please call a BellSouth Small Business Sales Associate at 1.866.201.0468.

SCAF Report

Project Name: BPCONTIN: 4Q04 DSL TEA
 CAF#: S0570
 Vendor Name:
 Invoice #:

SCAF # Legend

C - Consumer B - Large Biz
 D - DSL X - Corporate
 S - Small Biz

R. 359 - Ads - Direct Mail Production

BP (BS mgr to fill in):

WID(s): 0380

SCAF #: S0570

Invoice Amount					
		Product	BELLSOUTH.NET FAST ACCESS (ADV DSL)	FLAT RATE BUSINESS	Small Business Long Distance
		PROD CODE	189	119	1902
		RB#			
		Prod %	✓ 70.00%	✓ 15.00%	✓ 15.00%
State	State %	State \$			
ALL		x	\$	\$	\$
AL	7.90%	\$	\$	\$	\$
FL	27.88%	\$	\$	\$	\$
GA	17.76%	\$	\$	\$	\$
KY	4.86%	\$	\$	\$	\$
LA	9.57%	\$	\$	\$	\$
MS	5.65%	\$	\$	\$	\$
NC	9.74%	\$	\$	\$	\$
S	6.10%	\$	\$	\$	\$
TN	10.55%	\$	\$	\$	\$
Factor	100.00%	\$			

Review By: Date: 11/2/2004

(Ad Manager Signature)



P.O. Box 530584
Birmingham, AL 35253-0584

John A. Sample
123 Any Street
Anytown, ST 12345-6789

Local Service	621
Caller ID Deluxe	107
	37
	13
	43
	0
	184

Total Words 1005

Dear John A. Sample,

Discover the rewards of being a BellSouth customer. Now BellSouth does it all — from local to [redacted] to [redacted] and [redacted]. Start with a remarkable calling plan that gives you a lot for a little...

The BellSouth® PreferredPack® Plan!

It's a money-saving package that streamlines your phone service and includes our most popular calling features, the ones our customers say they rely on most — Caller ID Deluxe, Call Waiting Deluxe, Call Return (*69) and Three-Way Calling — plus, additional features for much less than you would pay for each feature separately — all for just \$AX.XX a month!

We'll even give you some spending money to use however you please...

\$100.00 CASH BACK with the BellSouth PreferredPack Plan!

Plus, we'll waive your local service connection fee! [redacted]

Only BellSouth delivers the quality, service and reliability you deserve. We're your one-stop communications solution!

To sign up for this offer, please call us today toll free at 1.XXX.XXX.XXXX, or visit us online at bellsouth.com/welcome.

Sincerely,

Carlos A. Salinas
Senior Director, Consumer Marketing

Para español por favor llame 1.888.492.1075.

[redacted]

[redacted] Bundle it with Unlimited Local Service, [redacted] and [redacted] to save over 20%*. Call today and ask how you can get FREE installation and equipment for up to 3 rooms!

CSN/20-NM

(see back for more details)

V721MSE 02/04

After signing up for the PreferredPack plan, fill out this coupon and mail it to BellSouth at the address in this box before it expires your \$100 cash back.



BELLSOUTH® LOCAL SERVICE \$100 CASH-BACK COUPON

Please print legibly

Your name as it will appear on your residential BellSouth bill

Your complete address as it will appear on your BellSouth bill

City, State, and Zip Code

Area Code/Telephone number

Telephone number at billing address (if different)

10/04

Mail this completed coupon to:
BellSouth® Reward Center,
DEPT 404-XXXX, P.O. Box 540016,
El Paso, TX 88554-0016

(See back of coupon for more details.)

DIRECTV offer for new DIRECTV customers only. Activation of DIRECTV programming may be subject to credit approval, and requires valid service address, social security number and/or major credit card. Call for DIRECTV service information and pricing. **DIRECTV** is a trademark of DIRECTV, Inc. ****Savings are based on comparison of purchase price of BellSouth Digital TV Answers bundle vs. price of same services purchased individually. Advertised savings require minimum DIRECTV programming package of \$39.99 (excluding taxes and fees) from BellSouth and subscription to qualifying BellSouth local, long distance and Internet services.** Other terms, conditions and restrictions apply. **Internet savings require combined billing on BellSouth bill. DIRECTV savings will appear as a BellSouth Answers™ bundle savings on the DIRECTV bill beginning on the second billing cycle. Both DIRECTV and BellSouth customer accounts must be current and without a delinquent balance to continue to receive recurring monthly bundle savings.** Applicable taxes and fees will be based on the full monthly price of all products and services and will not be credited with any reward or bill credit. **1The PreferredPack plan includes the following calling features: Call Waiting Deluxe, Three-Way Calling, Caller ID Deluxe, Call Return, BellSouth® Privacy Director® service, Message Waiting Indication, Star 98 Access, and Call Forwarding Busy Line & Call Forwarding Don't Answer (with or without Ring Control).** Some features require additional equipment/services. Features must be compatible & subject to network and facility availability. **2Caller ID and Caller ID Deluxe require a compatible display unit. Caller ID blocking is available, so some calling names and numbers may not be displayed. Long distance or expanded local calling rates may apply for Call Return and Three-Way Calling.** **3Quoted rate (excluding taxes, fees and other charges) for PreferredPack plan/bundle for new residential phone service in the state of X.** **4To receive \$100 Cash Back, customer must switch local telephone service to BellSouth from another carrier and purchase the BellSouth Complete Choice® plan or the BellSouth PreferredPack plan.** Customer must redeem the attached coupon by returning it to BellSouth. See coupon for redemption details. BellSouth will send a check within 4-6 weeks after receipt of coupon to customers who retain qualifying service at the time of check processing. Offer valid for only one service line at the intended local service address. Customer must place order on or before 12/26/04. Customer must not have had local service with BellSouth 10 days prior to new service connection date. Customer eligible for one \$100 Cash Back promotion per 12 month period. Offer may be modified or withdrawn at any time without notice.

Offer expires 1/8/05 and may be modified or discontinued at any time without notice.

Other restrictions apply. ©2004 BellSouth Corporation. All rights reserved. All trademarks contained herein are the property of their respective owners.

Local Service	442
Complete Choice	102
	12
	0
	211
	0
	178

Total Words 945

P.O. Box S30584
Birmingham, AL 35253-0584

BELLSOUTH®



>> Sure, it's all fun and games. Until someone gets hurt.

And we're afraid that someone might have been you.

Over half of our returning customers say they didn't get the savings the other phone carrier promised them. At BellSouth, we've got just the remedy. We have the dependable service you grew up with, the clear calls you expect and a price competitive with anyone else out there. That ought to stop the bleeding. Well, that and the little blue bandage we've got for you.

For less than \$XX.XX a month,¹ you'll get

- Unlimited local calls
- [REDACTED]
- Caller ID Deluxe,² Call Waiting Deluxe, Call Return (*69),³ Three-Way Calling³ and more

And, when you sign up for Local Service with the BellSouth Preferred Pack Plan⁴ and [REDACTED] we'll waive your local service connection fee — a savings of \$XX.XX!

And give you 2 great signing bonuses:

[REDACTED]
\$100 CASH BACK⁵ with the BellSouth Preferred Pack Plan!

[REDACTED]
Bundle it with Unlimited Local Service, [REDACTED] and [REDACTED] and save over 20%.⁶
Call today and ask how you can get FREE installation and equipment for up to 3 rooms!

Call us toll free at 1.XXX.XXX.XXXX, or visit us online at bellsouth.com/welcome.

Para español por favor llame 1.888.492.1075.

Become a BellSouth customer today. It'll make us both feel better.

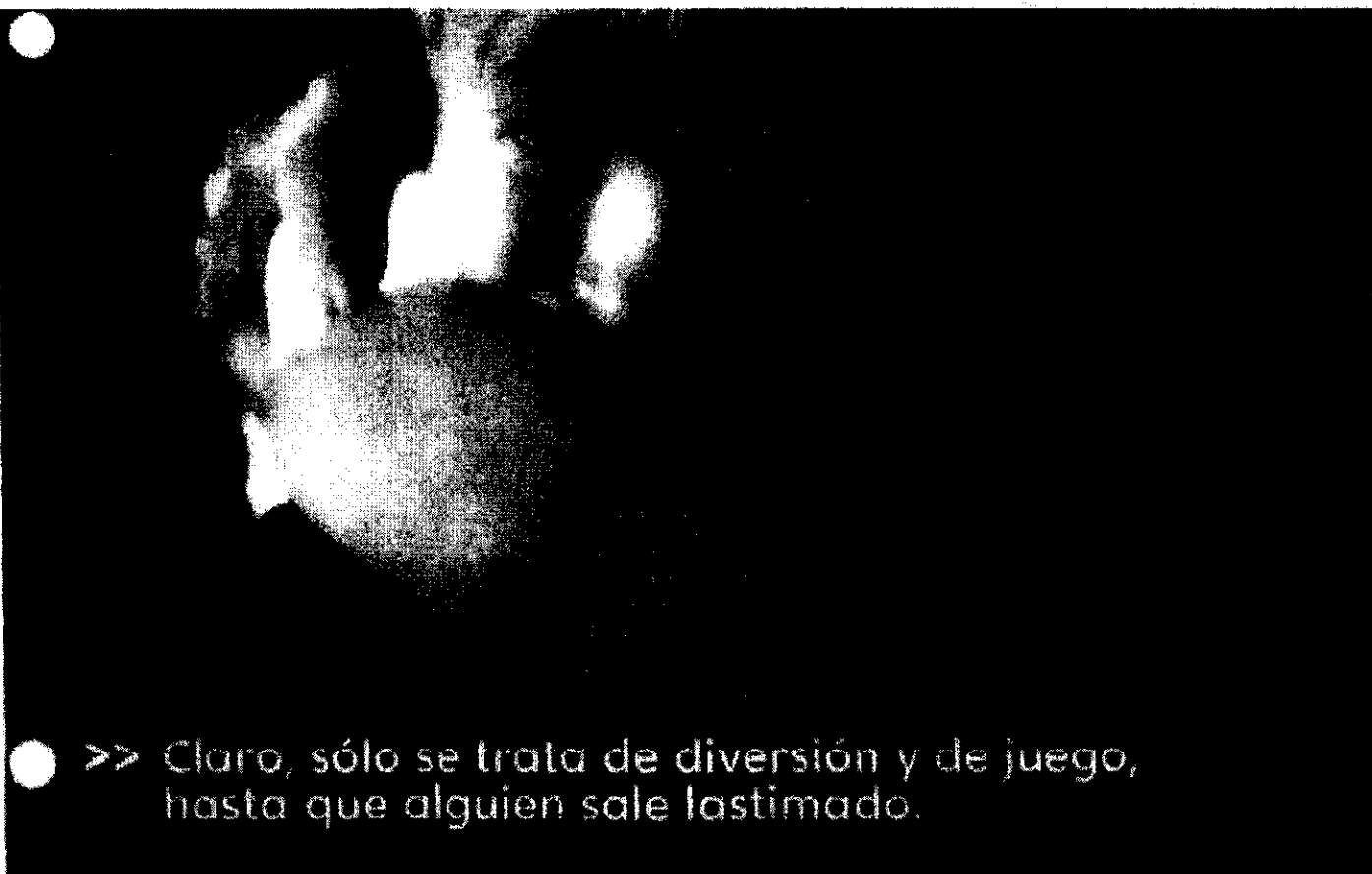
1. Price varies by service area. 2. Caller ID Deluxe available for an additional charge. 3. Call Return, Call Waiting Deluxe, and Three-Way Calling available for an additional charge. 4. Local Service with the BellSouth Preferred Pack Plan available for an additional charge. 5. Cash back offered as a credit to your BellSouth account. 6. Savings based on comparison of BellSouth rates to other carriers. Savings may vary by service area. Offer subject to change without notice. © 2001 BellSouth Corporation. All rights reserved.

Local Service	572
Choice Choice	103
	21
	0
	266
	0
	211

Total Words 1173

P.O. Box 530584
Birmingham, AL 35253-0584

BELLSOUTH®



>> Claro, sólo se trata de diversión y de juego,
hasta que alguien sale lastimado.

Tememos que ese alguien haya sido usted.

Más de la mitad de nuestros clientes que regresan a BellSouth declaran que los ahorros que otras compañías de teléfono les habían prometido no aparecieron por ninguna parte. Por suerte, BellSouth tiene el remedio. Le ofrecemos el mismo servicio esmerado y confiable que usted siempre conoció; las llamadas claras y los precios que compiten con cualquier oferta. ¡De sobra para curar el rasguño! Y para una cicatrización perfecta, aquí tiene lo mejor:

Por menos de \$00.00 al mes,¹ le ofrecemos

- Llamadas locales sin límite
- Identificación de Llamada de Lujo,² Llamada en Espera de Lujo, Devolución de Llamada (*69),³ Llamada en Conferencia⁴ y mucho más.

Además, cuando usted se suscriba al Servicio Local con el plan PreferredPack[®] de BellSouth y el [REDACTED] no le cobraremos la conexión del servicio local: ¡Un ahorro de \$XX.XX!

Y por si esto fuera poco, también le damos dos regalos de bienvenida:

\$100 DE REEMBOLSO⁵ con el plan PreferredPack de BellSouth!

[REDACTED]
[REDACTED]
[REDACTED] con el Servicio Local sin límite, con [REDACTED] y con el [REDACTED] y ahorre más del 20%.^{**}
¡Llame y pregunte cómo puede obtener equipo e instalación GRATIS para hasta 3 habitaciones!

Llámenos hoy mismo, libre de cargos, al 1.XXX.XXX.XXXX, o visítenos en la Internet en nuestro sitio en inglés en la Internet bellsouth.com/welcome.

Conviértase en cliente hoy mismo. Usted no tiene que pagar nada hoy mismo.

[REDACTED]

SCAF Report

Project Name: 4Q 2004 Reacquisition - Local Service WinOver
CAP#: C0090
Vendor Name:
Invoice #:
RTC: 583 - Postage
BP (BS mgr to fill in): _____
WID(s): 0380

where $\mathbf{f} = \mathbf{f}(\mathbf{x}, \mathbf{y}, \mathbf{z})$ and $\mathbf{g} = \mathbf{g}(\mathbf{x}, \mathbf{y}, \mathbf{z})$ are functions of \mathbf{x}, \mathbf{y} and \mathbf{z} and $\mathbf{h} = \mathbf{h}(\mathbf{x}, \mathbf{y}, \mathbf{z})$ is a function of \mathbf{x}, \mathbf{y} and \mathbf{z} and $\mathbf{i} = \mathbf{i}(\mathbf{x}, \mathbf{y}, \mathbf{z})$ is a function of \mathbf{x}, \mathbf{y} and \mathbf{z} .

SCAF #: C0090

		CELLULAR SERVICE/Cingular	BELLSOUTH.NET FAST ACCESS (ADV DSL)	Consumer Long Distance	DirectV	INTEGRATED PKG COMPLETE CHOICE	FLAT RATE RESIDENCE
		175	189	1900	219	413	65
		0.26%	0.38%	25.45%	12.40%	1.02%	60.49%
	X	\$	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$	\$	\$
	\$	\$	\$	\$	\$	\$	\$
19.67%	\$						

Review By:

Date: 12/16/2004

Appendix 6
Allocation of Customer Service Representative Time

- | | |
|---------------|---|
| Page 1 | Blank Time Reporting Sheet for Small Business to be completed by Remote Observer |
| Page 2 | Table showing results of time study allocated among various products and services by State |

[illegible]

```
>bserver
```

Telephone No.

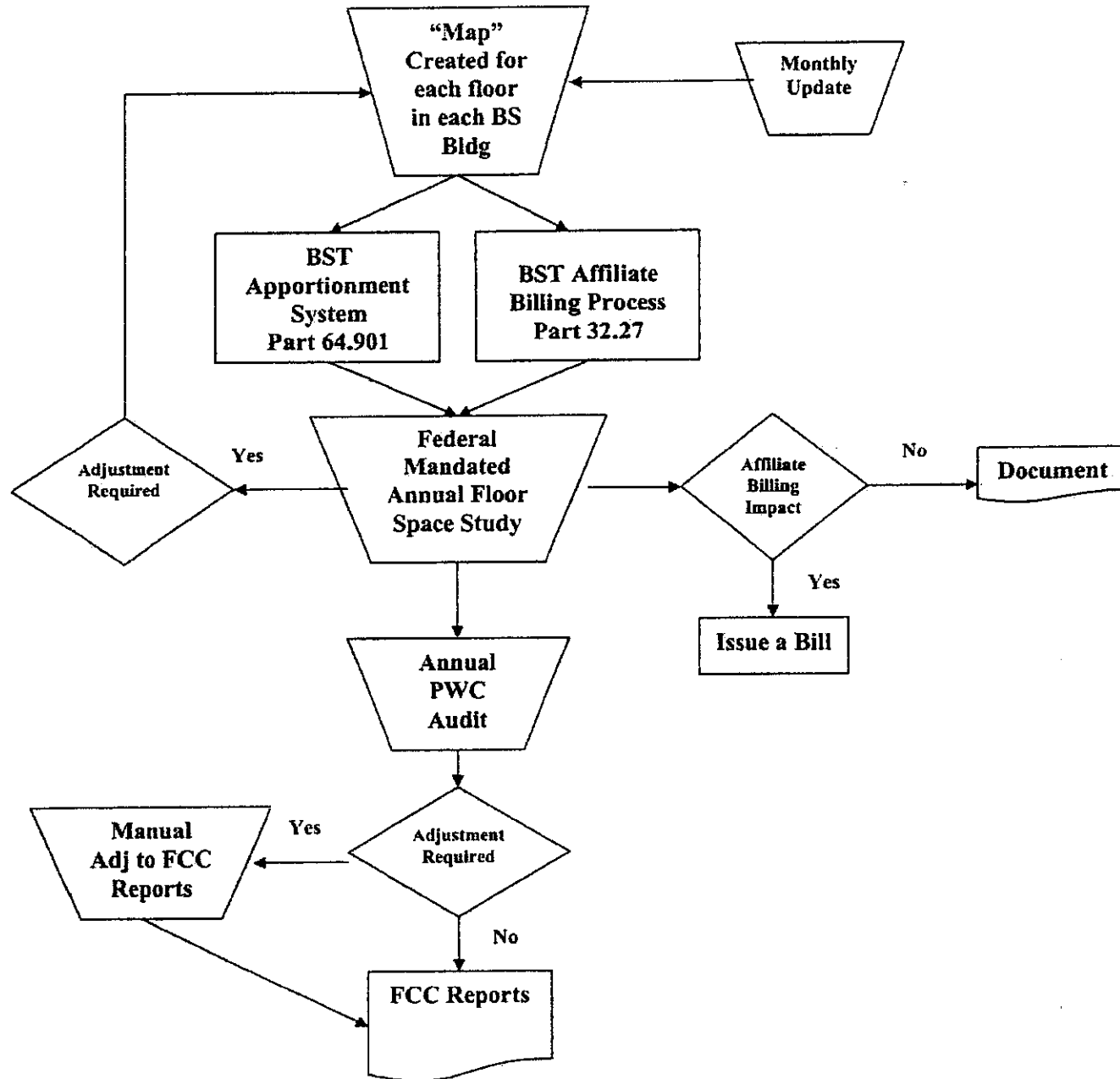
MAY 2005 PART - X FACTORS												
DEVELOPED FROM A COMPOSITE OF DATA COLLECTED DURING MARCH, APRIL AND MAY 2005												
FACTORS ESTIMATE THE RATIO OF PRODUCT SPECIFIC SALES TIME TO TOTAL SALES TIME												
STATE	TIME	BASIC	NON-BASIC	BSLD	MEMORY	CELLULAR	INTERNET	GLOBAL	PAGING	EQPT MTCE	CUST EQT	DTV
	FRAME	INSIDE WIRE	INSIDE WIRE		CALL			CARD		PLAN		
AL	MAR-MAY05	4.04%	0.00%	18.34%	5.95%	9.18%	17.78%	0.04%	0.00%	1.31%	3.02%	7.28%
	FEB-APR05	4.96%	0.00%	18.87%	5.02%	8.60%	17.88%	0.05%	0.00%	0.93%	2.49%	8.04%
	JAN-MAR05	5.72%	0.00%	19.37%	5.89%	10.14%	18.46%	0.01%	0.00%	0.87%	3.44%	8.92%
	DEC04-JAN-FEB05	4.77%	0.00%	18.47%	4.96%	10.33%	17.47%	0.01%	0.00%	0.46%	2.20%	7.40%
	NOV-DEC04-JAN05	4.59%	0.00%	19.47%	5.05%	10.82%	17.52%	0.00%	0.00%	0.49%	2.25%	5.09%
FL	OCT-DEC04	4.91%	0.00%	19.48%	4.67%	10.81%	16.99%	0.00%	0.20%	0.55%	2.59%	
	MAR-MAY05	3.90%	0.15%	14.82%	4.53%	19.93%	18.08%	0.09%	0.00%	1.58%	3.74%	7.19%
	FEB-APR05	3.59%	0.27%	14.39%	4.11%	18.94%	17.98%	0.08%	0.00%	1.46%	3.31%	6.92%
	JAN-MAR05	3.28%	0.18%	14.49%	3.64%	18.64%	17.22%	0.07%	0.00%	1.09%	2.45%	5.90%
	DEC04-JAN-FEB05	3.41%	0.19%	14.75%	3.52%	17.98%	16.99%	0.04%	0.00%	1.13%	2.80%	4.98%
GA	NOV-DEC04-JAN05	3.68%	0.07%	15.39%	3.56%	17.80%	18.91%	0.10%	0.00%	0.97%	2.53%	2.77%
	OCT-DEC04	4.62%	0.07%	14.36%	4.17%	18.42%	17.11%	0.23%	0.00%	1.18%	2.82%	
	MAR-MAY05	4.09%	0.08%	17.89%	5.98%	10.98%	19.48%	0.13%	0.00%	0.97%	2.75%	6.84%
	FEB-APR05	4.26%	0.02%	18.06%	6.15%	10.92%	19.27%	0.25%	0.00%	0.99%	3.15%	6.53%
	JAN-MAR05	4.33%	0.00%	18.40%	5.92%	10.71%	19.95%	0.22%	0.00%	1.12%	3.11%	5.86%
KY	DEC04-JAN-FEB05	5.02%	0.00%	19.10%	4.93%	10.10%	19.18%	0.24%	0.00%	0.82%	2.92%	4.98%
	NOV-DEC04-JAN05	6.83%	0.02%	19.56%	5.18%	9.34%	18.81%	0.09%	0.00%	0.95%	2.07%	3.19%
	OCT-DEC04	5.57%	0.03%	19.66%	5.20%	9.67%	18.41%	0.16%	0.00%	0.79%	2.30%	
	MAR-MAY05	5.53%	0.06%	17.90%	5.59%	8.30%	18.27%	0.13%	0.00%	1.62%	2.66%	6.65%
	FEB-APR05	5.49%	0.28%	17.91%	5.63%	8.94%	18.45%	0.08%	0.00%	1.71%	3.75%	5.98%
LA	JAN-MAR05	5.03%	0.24%	17.40%	5.27%	8.91%	19.08%	0.06%	0.00%	1.47%	2.98%	5.87%
	DEC04-JAN-FEB05	5.54%	0.21%	17.85%	5.97%	9.13%	18.46%	0.01%	0.00%	1.42%	2.76%	4.96%
	NOV-DEC04-JAN05	5.04%	0.00%	17.54%	5.60%	8.08%	18.45%	0.02%	0.00%	1.40%	2.61%	3.39%
	OCT-DEC04	5.56%	0.62%	17.13%	4.95%	7.92%	18.99%	0.02%	0.00%	1.63%	2.55%	
	MAR-MAY05	3.34%	0.18%	18.03%	8.00%	11.08%	18.02%	0.31%	0.00%	1.34%	2.28%	6.51%
MS	FEB-APR05	3.41%	0.18%	18.17%	6.10%	11.50%	18.36%	0.29%	0.00%	1.29%	3.19%	5.01%
	JAN-MAR05	3.74%	0.00%	19.21%	5.81%	12.85%	19.56%	0.44%	0.00%	1.13%	3.58%	5.73%
	DEC04-JAN-FEB05	4.42%	0.00%	18.02%	5.97%	13.11%	19.23%	0.18%	0.00%	1.27%	2.92%	4.91%
	NOV-DEC04-JAN05	3.87%	0.00%	18.63%	5.38%	13.55%	18.62%	0.17%	0.00%	1.57%	2.45%	3.22%
	OCT-DEC04	4.26%	0.00%	18.38%	5.11%	13.80%	17.83%	0.05%	0.00%	2.03%	2.21%	
NS	MAR-MAY05	6.48%	0.11%	17.65%	4.93%	6.94%	19.27%	0.24%	0.00%	2.40%	2.65%	6.40%
	FEB-APR05	7.03%	0.21%	16.98%	4.40%	7.41%	19.15%	0.31%	0.00%	2.27%	3.14%	5.66%
	JAN-MAR05	7.38%	0.12%	17.44%	4.80%	7.98%	20.23%	0.17%	0.00%	2.35%	3.12%	5.86%
	DEC04-JAN-FEB05	6.75%	0.10%	16.61%	4.11%	7.30%	19.81%	0.14%	0.00%	2.23%	2.94%	4.40%

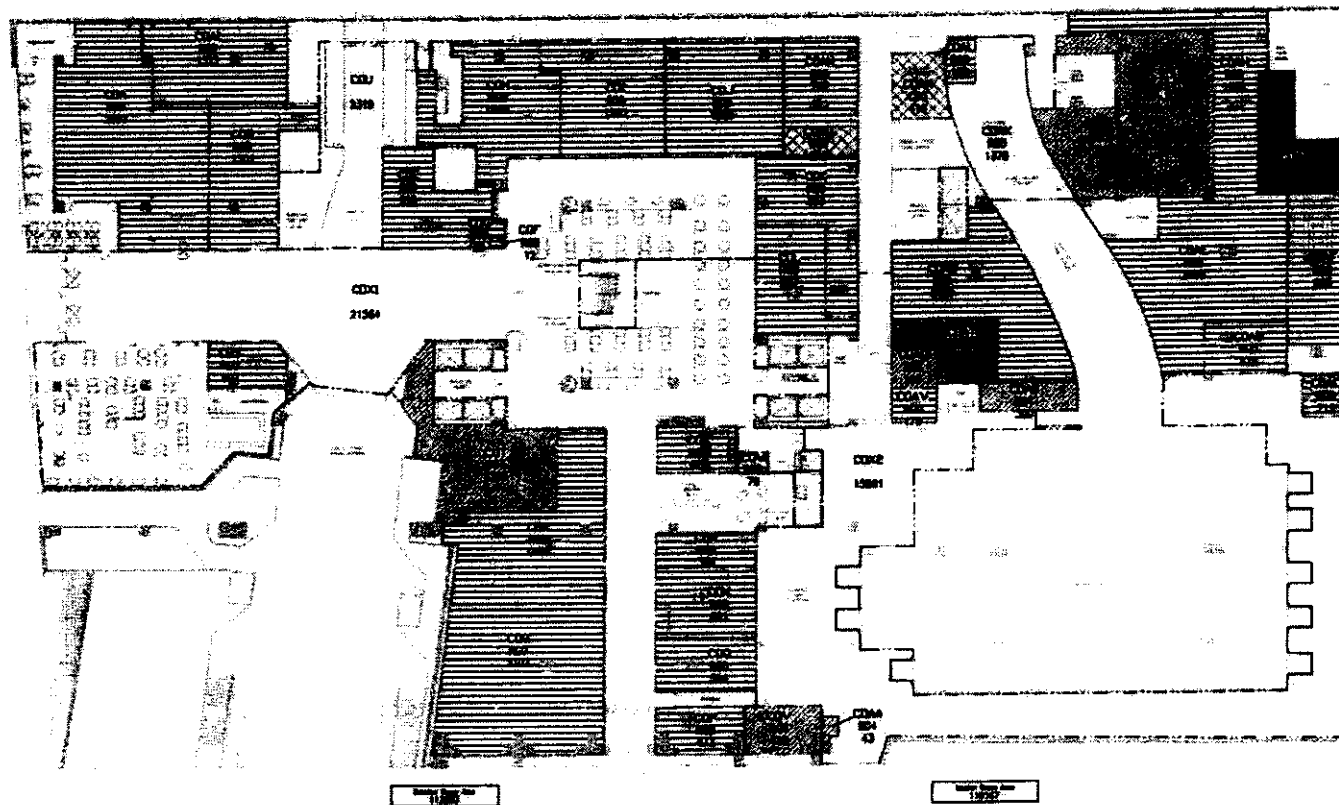
Appendix 7






Allocation of Building Floor Space

- Page 1** **Flow chart of allocation process for Account 2121, Buildings**
- Page 2-4** **Diagrams of floor space measurements for individual floors in three different buildings showing floor space used by various work groups**

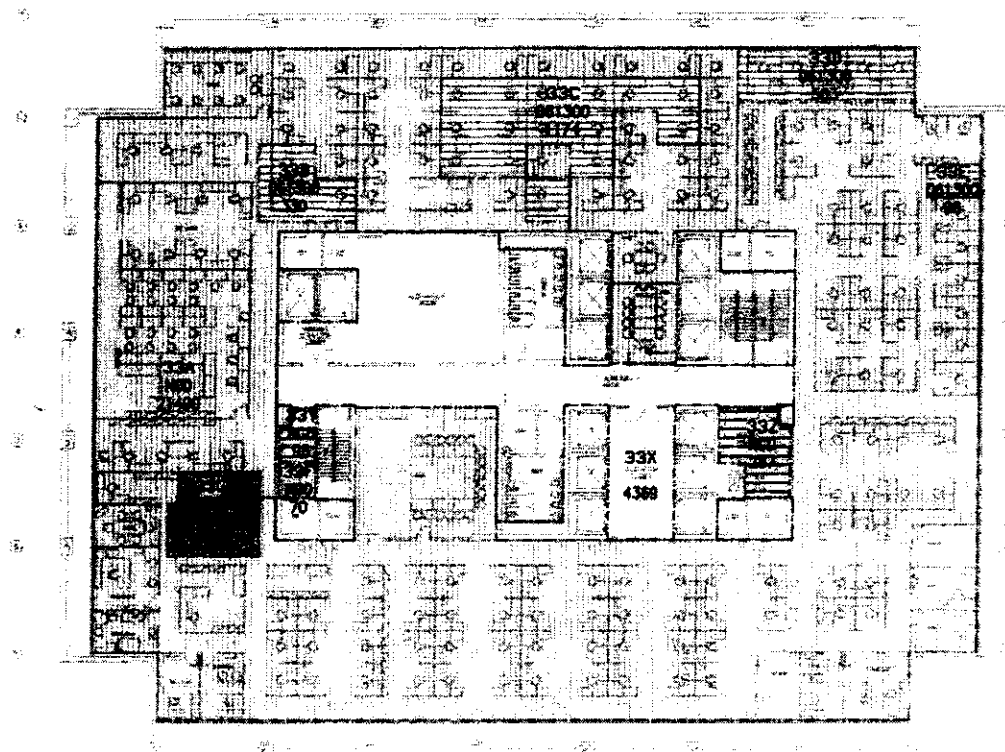
Allocation for Account 2121, Buildings





		Area(SF)
	B04 CORPORATE REAL ESTATE SERVICES (INCL. CONTRACTORS)	4851
	C00 BSI SMALL BUSINESS SVCS (RETAINED)	682
	F00 CORP MATTERS (REG & EXT AFFAIRS /STATE PRESIDENTS)	805
	R00 CRES COMMON/BLDG SUPPORT AREAS & VACANT SPACE	31274
	X00 BELLSOUTH COMMUNICATION SYSTEMS (BCS)	581
	Unassigned Area	0
	Total Available	38272

3

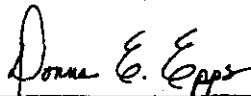


Exterior Open Area		36438
Interior Open Area		31155
		Area (G)
061500	BELLSOUTH TECHNOLOGY GROUP (BTG)	2103
CAS	COMMON/BLDG SUPPORT AREAS & VACANT SPACE	383
N00	NETWORK SERVICES	21560
P80	BELLSOUTH BUSINESS SYSTEMS (BBS)	408
Unassigned Area		0
Total Assignable		24452

Appendix 8
Oversight After Reform, Deloitte and Touche

Oversight after Reform

Financial Accounting Rules and Disclosures in Reporting by U.S. Public Companies



Donna Epps
Partner, Deloitte & Touche LLP

11/21/05

Date

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